“If we are to prevent the meaning of marriage from being changed forever, our nation must enact a constitutional amendment to protect marriage in America.” — George W. Bush

protect it from whom?
Kenneth and Peter both served with distinction in World War II. Peter was a pilot and Kenneth served on a submarine. They met not long after the war and will soon celebrate 50 years together. Since retiring in 1997, Kenneth has spent much time at the piano while Peter has taught an acting workshop to seniors. Their interests include caring for the dozen bonsai trees in their garden.

Kenneth and Peter know that everything they have built together could be taken away. The IRS may very well challenge, as it has for their friends who have lost a partner, the equal ownership of their joint assets. They would much prefer to think about growing their garden than losing it.

As America’s largest gay, lesbian, bisexual and transgender civil rights organization, the Human Rights Campaign provides a national voice on GLBT issues. HRC effectively lobbies Congress, mobilizes grassroots action in diverse communities, invests strategically to elect a fair-minded Congress, and increases public understanding through innovative education and communication strategies.

HRC is a bipartisan organization that works to advance equality based on sexual orientation and gender expression and identity to ensure that GLBT Americans can be open, honest and safe at home, at work and in the community.

the Human Rights Campaign: **more vital than ever**
Virginia, an emigrée from Cuba when she was just 2, and Kathy, a Mexican-American, have been together for 14 years. Kathy is a media producer and musician. Virginia is also a producer and a stay-at-home mom for their son, Julian, and their beloved Maltese dogs. Together, they’ve created a life that helps meet their everyday challenges, always returning to the joys of music, fun and family.

Due to a backlog in their local family court, Kathy was unable to adopt Julian until he was nearly 3 years old. Now, she will be able to provide health insurance for her son when Virginia’s coverage from her last job expires.

Keith and his partner of six years, Edgard, love spending time together at their local Venezuelan restaurant, partly because it reminds Edgard of his native home.

Sadly, they may not be visiting their usual table by the window anymore. Unlike legally wed binational straight couples, Keith cannot obtain permanent residency for Edgard through marriage. As a last resort, Keith is considering uprooting his life and looking for work outside the United States so the two can stay together.
This past year will go down as a milestone in our community’s history. Massachusetts’ highest court affirmed marriage equality and the U.S. Senate rejected a White House-supported Federal Marriage Amendment intended to write discrimination directly into our hallowed Constitution.

Similarly, National Coming Out Day 2003, celebrated Oct. 11, will also go down as a landmark in the history of the Human Rights Campaign, the Human Rights Campaign Foundation and for gay, lesbian, bisexual and transgender people, families and allies everywhere. With requisite fanfare and under the blue skies of Washington, D.C., HRC Capital Campaign Co-Chairs Terry Bean and Edith Dee Cofrin cut the ribbon and officially opened the doors to a building made possible by more than 5,000 generous donors. 1640 Rhode Island Avenue is now our home.

The HRC Foundation’s $25 million capital campaign, “Building Equality: Power, Presence and Permanence,” was launched six years ago and has proudly met its goal — to ensure that our troops on this road to equality.

Toward that end, the HRC boards announced in late November 2004 that Hilary Rosen and Michael Berman would head the organization during its leadership transition period, following the resignation of Cheryl A. Jacques. HRC’s work has continued without missing a beat.

Thanks to the leadership of so many board members, we finished this last fiscal year stronger than ever and ready for the next great challenges. With confidence and with your continuing support, we are pleased to have played a role in equipping HRC and the HRC Foundation with solid resources despite a challenging environment and a new, permanent address from which to rally our troops on this road to equality.

Fighting for HRC,

Gwen Baba Tim Boggs Co-Chairs, HRC Board of Directors

Lawrie Demorest Vic Basile Co-Chairs, HRC Foundation Board of Directors

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From the breathtaking images of legally married same-sex couples descending the courthouse steps in Massachusetts to the sting of President George W. Bush’s endorsement of the Federal Marriage Amendment, this has been a year of unprecedented possibility and peril for the gay, lesbian, bisexual and transgender community.

The Human Rights Campaign led every step of the way.

Today, HRC stands at a crossroads. We’ve seen enormous progress over the past year. The number of companies receiving perfect scores on our Corporate Equality Index has tripled for the third year in a row, thanks to our groundbreaking corporate work.

With each new day, HRC’s Family Project continues to be the most comprehensive resource for same-sex couples and their families. And the list of major advocacy groups that support equality for all families grows by the day and week. We’ve also expanded our educational efforts with faith communities by adding a database of religious resources to our website.

HRC led the fight against one of the most dangerous election-year threats we have ever faced: the Federal Marriage Amendment, which would have written same-sex couples and their families out of the Constitution. Our victories, first in the Senate, then in the House, were a testament to our growing strength and presence in Washington.

These are crucial years of our movement. Someday, we will tell our children and grandchildren about this moment in history, and how thanks to so many, HRC stood tall and strong against incredible pressure to build bridges of understanding for all Americans.

Here we are. And here we shall be, for as long as it takes, fighting for equality — now more than ever.

We were riding a crest of phenomenal wins as we went into the November elections. Identifying and mobilizing GLBT voters, and their friends and families, we worked as never before. While the results were certainly disappointing, we live to fight another day.

When George W. Bush leaves the White House in four years, the HRC building will still be standing just four blocks away, kissing the capital skyline along with our nation’s most cherished buildings and monuments. With our building, made of glass and stone, we send a message to the nation about our community’s heart and soul — we are strong, passionate and committed to equality, and we won’t leave until our work is done.

Every time our community has had a major setback or crisis — from the HIV/AIDS epidemic to the back-breaking “Don’t Ask, Don’t Tell” fight of the early 1990s to Matthew Shepard’s tragic death — we’ve surged forward, reinventing ourselves with new vigor and passion. We keep our eyes on the prize and never stop moving the ball forward for GLBT equality.

We’re redoubling our efforts, not only on core competencies like lobbying, but also in our corporate work, in our efforts to create mutual respect and understanding with faith-based communities and in living rooms and around dinner tables across America.

We are and here we shall be, for as long as it takes, fighting for equality — now more than ever.

Hilary Rosen Michael Berman Interim Director Interim Director
DeShelle and Lanette love to travel and entertain. As with the meals they prepare together, they each bring different ingredients to their relationship. Lanette, a local community planner and mentor, says you need great ingredients to make a meal, and a relationship, filled with love.

Both DeShelle and Lanette have lost family members to illnesses that run in the family. Although they are healthy today, they’re concerned that should either of them fall ill, the other will not be allowed to visit in the hospital.

“This is a 9/11, major wake-up call that the enemy is at our doorsteps. This will redirect the stream of what is morally right and what is morally wrong into a deviant kind of behavior. There is no way that homosexuality can be seen other than a social disorder.” — The Rev. Louis P. Sheldon, chairman, Traditional Values Coalition

The Human Rights Campaign: fighting for DeShelle and Lanette

“Government, by recognizing and protecting marriage, serves the interests of all. Today I call upon the Congress to promptly pass, and to send to the states for ratification, an amendment to our Constitution defining and protecting marriage as a union of man and woman as husband and wife. The amendment should fully protect marriage, while leaving the state legislatures free to make their own choices in defining legal arrangements other than marriage.” — George W. Bush, Feb. 24, 2004

When President Bush said we must protect marriage, from whom was he presuming to protect it? Was he protecting us? Are Kenneth and Peter, after 50 years, a family not to be valued? Are the millions of children of same-sex couples an exception to the president’s call to “leave no child behind”?

No. And the Human Rights Campaign and the Human Rights Campaign Foundation are fighting for nothing less than full equality for our families.

As part of an organization-wide effort to promote the rights of our families, the HRC public policy committee and board of directors passed a resolution affirming that HRC’s political action committee will place its highest priority with leaders who stand with the GLBT community and who will vote to protect the U.S. Constitution from amendments that would discriminate against GLBT individuals or couples.

Yet even as many in our community focused attention on the debate over marriage equality, HRC continued in fiscal 2004 marching toward our vision of full equality at work, at home and in our communities.

So much of the fight takes place through HRC’s work in places far from Washington, D.C. Through HRC-sponsored town hall meetings, house parties to share awareness or unprecedented family and work resources made available online and through grassroots networks, HRC continued to ensure that the road to full equality makes important stops in our homes, our workplaces and throughout our communities.

Through these gatherings, scores of HRC staff and volunteers teamed up with members of local GLBT and allied groups to keep the momentum going.

And in Washington, HRC’s work with fair-minded leaders moved forward on several fronts vital to all GLBT families. To ensure our full equality at work, Sen. Edward Kennedy, D-Mass., and lead sponsors introduced the Employment
Non-Discrimination Act in the Senate, with 44 co-sponsors from both parties. The lead sponsors in the House introduced ENDA, also in October, with 178 bipartisan co-sponsors.

At its August 2004 meeting, and after compelling presentations by transgender leaders and congressional staff, the HRC board of directors adopted a resolution stating: “The Human Rights Campaign ... will only support ENDA if it is inclusive of sexual orientation and gender identity and expression.” HRC formally asked the lead co-sponsors of ENDA to add protections within the legislation for transgender workers.

The diversity of our community is part of what makes us strong. From fighting to end workplace discrimination based on gender identity, to our grassroots support for black pride celebrations nationwide and our gathering of leaders from diverse communities to inform our programs and strategies, HRC continues to stand with our entire community in our fight for fair-minded leadership.

On HIV/AIDS, HRC continued working to guarantee that prevention policies are no longer overshadowed by right-wing ideologies. The Early Treatment for HIV Act, introduced by Republican Sen. Gordon Smith of Oregon and Democratic Sen. Hillary Rodham Clinton of New York, quickly earned bipartisan support. The bill would allow states to expand health coverage for those with HIV, enhancing life expectancy and bolstering quality of life. HRC closely monitors and pushes for strong HIV/AIDS efforts — especially those targeted toward gay and bisexual black men.

In support of our diverse families, HRC is doggedly working to bring co-sponsors to the Permanent Partners Immigration Act in both the House and Senate. This legislation would modify the Immigration and Nationality Act to provide all partners of U.S. citizens and lawful permanent residents the same immigration benefits that legal spouses of U.S. residents enjoy.

So much attention this past year, however, has been focused on marriage equality. Within hours of the Supreme Court’s June 2003 ruling to overturn Lawrence v. Texas, political pundits and the media began talking about the next great phase in the march toward full equality for GLBT people and families. By October 2003, we had a ruling from the Massachusetts Supreme Judicial Court that same-sex couples could no longer be barred from access to legal marriage.

The months that followed were a whirlwind of celebrations and questions: California weddings and White House threats; Massachusetts victories and unknown questions. HRC stood together with our partners to lead the fight for our community and move our nation’s decision-makers forward.

HRC is proud that our membership continues to grow and is now 600,000 strong. So many of our new and most active members first came to us online, through HRC’s recently redesigned website and Online Action Center. In response, HRC has made sure that our web resources meet the needs of those who come to us in search of a central community.

Among our foundation programs, HRC’s Family Project continues to be the most comprehensive and up-to-date resource on GLBT families. HRC’s Family Project provides the most authoritative information, community support and expert advice on the broad range of topics that affect GLBT families. Developed in cooperation with 15 allied national organizations, the project is supported by more than 30 experts who bring answers to users on adoption, civil unions, coming out, custody and visitation, family law, families of origin, marriage, money, parenting, religion, schools, senior health and housing, state laws and legislation, and straight spouses.

HRC WorkNet is the national source of information on workplace policies and laws that affect GLBT employees and their families. It is home to the most comprehensive database of corporate policies and workplace laws, including information on companies with non-discrimination policies, domestic partner and spousal equivalency benefits and GLBT employee groups.

HRC WorkNet also leverages change through the Corporate Equality Index, a rating system to measure how America’s biggest employers are treating GLBT employees, consumers and investors. The index has sparked rapid change at America’s largest companies and validates WorkNet’s place as the premier destination for GLBT employees and consumers — as well as employers, researchers and the media.

At work, at home and in their communities, thousands of GLBT people and allies celebrate National Coming Out Day every Oct. 11. Now a part of the HRC Foundation’s National Coming Out Project, National Coming Out Day was born out of the 1987 march on Washington, where hundreds of thousands of Americans rallied to support equal rights. Today, the project supports events in hundreds of cities across the country.

The National Coming Out Project also recognizes that cultural influences often present unique challenges to living honestly. “Coming Out in Communities of Color” is an online resource that addresses the African-American, Latin/o and Asian-Pacific-American communities. The project also offers information on coming out as a straight ally. In addition, the project offers a Spanish-language version of the hugely popular Resource Guide to Coming Out.

“Coming Out in Communities of Color” is an online resource that addresses the African-American, Latin/o and Asian-Pacific-American communities. The project also offers information on coming out as a straight ally. In addition, the project offers a Spanish-language version of the hugely popular Resource Guide to Coming Out for African Americans.

“What you’re doing is undermining the whole legal definition, the underpinnings of the institution of the family, and when that goes, everything goes with it, including the stability of the country ... and the future of Western civilization.” — James Dobson, chairman, Focus on the Family
More than 26 years ago, Robert and Michael met in New York City’s Greenwich Village. They share a passion for singing, gardening and involvement in their local community. Every Sunday, they sing together in the chorus at their local Episcopal church.

As they get older, Robert and Michael are concerned about their access to health care and insurance. In fact, Michael’s small business has been denied domestic partner health insurance coverage, due to its size. Despite their more than a quarter-century together, Michael and Robert are missing many of the same health care and insurance benefits afforded to most Americans.

“Under the guise of seeking ‘legal protections for children,’ activists like the Human Rights Campaign are in fact using children to gain public acceptance of their chosen adult lifestyle. This amounts to emotional blackmail.” — Tony Perkins, president, Family Research Council

Fighting for Communities

HRC continually brings the strength of our national team to unique community and statewide efforts. We closely monitor state and local legislation, partnering with state groups to move fair bills forward and push back anti-GLBT policies and legislation.

HRC-sponsored town hall meetings continue to be an effective tool to identify activists while motivating local GLBT and allied communities to work on marriage equality, immigration, transgender rights, hate crimes, workplace discrimination, families and more. In the last year, HRC held town hall meetings in 33 communities nationwide.

For the first time, HRC brought together GLBT leaders from historically black colleges and universities for a leadership conference. After a successful weekend of workshops and trainings, these leaders returned to their campuses with tools and resources, including the new resource guide for GLBT African Americans, created by the HRC Foundation’s National Coming Out Project.

Last fall, HRC sponsored a workshop on sexual orientation for administrators and professors at Dillard University in New Orleans. And HRC sponsored the premiere in several U.S. cities of “Noah’s Arc,” a groundbreaking TV series about the GLBT African-American community.

HRC staffers also worked on the grassroots level with local activists — including a successful push for first-term Democratic Gov. Jennifer Granholm of Michigan to issue an executive order prohibiting discrimination in state government based on sexual orientation.

For the fourth year, HRC provided much-needed resources and funding for statewide GLBT advocacy groups through Equality Fund Grants. HRC awarded $167,750 in Equality Fund Grants in fiscal 2004, bringing the total since the program’s inception to more than a half-million dollars. Grants were awarded to 37 groups that focus on a range of policy initiatives including discrimination, relationship recognition, hate crimes and safe schools legislation, and voter registration and mobilization efforts for the 2004 elections. Groups use the grants to hire lobbyists and field organizers, conduct research polls, mobilize advocates and fund local lobby days. Grant recipients in the past fiscal year included Basic Rights Oregon, the Freedom to Marry Coalition of Massachusetts and the Gender Rights Advocacy Association of New Jersey.

Inspired by calls to add voices to the fight for marriage equality, 600,000 HRC members are now able to speak directly to their legislators and get the latest resources on local, state and federal issues through our free Online Action Center. On the Federal Marriage Amendment alone, more than 200,000 faxes and letters were sent over the winter congressional recess. In a little over a year, HRC members have sent more than 1.5 million faxes and e-mails to Congress opposing the FMA.
“On principle, we’re against extending civil rights protection to people based on what they do in the bedroom. If it is passed, I don’t see how you could avoid extending the same protections to transvestites or pedophiles.”
— Gary Bauer, president, American Values

Fighting for Nothing Less than Our Equality

As tourists, school children and international visitors travel through our nation’s capital, they flock to the memorials, museums, parks and hallowed institutions that make Washington a symbol of America to our own citizenship and to the world.

Now, amid the marble pillars and traffic circles of our nation’s capital sits a permanent “gay home” for all GLBT people and allies, where their voices are magnified and their visions are nurtured.

1640 Rhode Island Avenue is more than just an address. It is a building open to all. It is a source of strength for those who seek equality for all Americans and a symbol to the decision-makers of our nation that HRC stands ready now more than ever to ensure that we no longer exclude any one person — or any one family — from the great mosaic of America.

None of the past year’s challenges has shaken HRC. As we embark on HRC’s 25th anniversary year in 2005, we stand stronger than ever before — fiscally and in terms of the size and commitment of our membership. The Human Rights Campaign and the Human Rights Campaign Foundation are ready for the next test of our resolve. With our building a permanent fixture in the capital’s skyline, we continue the march toward equality.

Megan and Laura celebrate their anniversary as a couple each November and this year marks their 20th. They plan to celebrate as a family with Wylie, 5, and Mavis, 1. Megan works full-time as a mom, while Laura supports the family financially by working at a local veterinary clinic. This is Laura’s first job that provides health insurance for Megan and their kids.

Laura has no legal custody of her two children. Should something happen to Laura, Megan and their children would not be entitled to any Social Security benefits. As a result, they have spent much of their income trying to protect their family’s future.

the Human Rights Campaign: fighting for Megan, Laura, Wylie and Mavis
States that purport to prohibit marriage between same-sex couples (by statute or constitutional amendment)

States that introduced legislation in 2004 that would have provided some recognition and/or rights to same-sex couples

States that provide some form of legal recognition and benefits to same-sex couples
Growing Stronger for the Fight

Fiscal year 2004 was a period of remarkable growth for the Human Rights Campaign and the Human Rights Campaign Foundation. This growth was fueled by HRC’s expansive, dedicated volunteer structure and the generosity of donors at all levels. Our members responded to the threat posed by President George W. Bush’s support of the Federal Marriage Amendment.

The ability of HRC and the HRC Foundation to continue their steady growth through times of economic uncertainty and turbulent world events is a testament to the commitment of our donors and the diversity of our income streams. The record $27.2 million that was raised represented a 33 percent increase over fiscal year 2003. Driving this increase were the contributions of members who donate less than $1,200 a year, our Federal Club and Major Donor programs and special events held throughout the country.

Support for the HRC Foundation’s Capital Campaign continued, with more than 600 new pledges totaling more than $6 million received.

In sum, fiscal year 2004 was a historic year that prepared the organization to face the historic challenges ahead. Because of the generosity of our donors and supporters, HRC and the HRC Foundation are in strong position to fight the ongoing battle for equality.

SOURCES OF INCOME

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<thead>
<tr>
<th></th>
<th>HRC</th>
<th>HRC Foundation</th>
<th>Combined</th>
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<td>Member Contributions</td>
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<td>Special Events</td>
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<td>Earned Income &amp; Other Revenue</td>
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USES OF INCOME

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<th>HRC Foundation</th>
<th>Combined</th>
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<tr>
<td>Programs</td>
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<td>Federal, Field &amp; Legal Advocacy</td>
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<td>Management &amp; General</td>
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Financials

SOURCES OF INCOME

1 Combined statements do not include intercompany transfers, restricted assets or capital campaign.
2 Net assets released from restrictions includes funds raised for and spent on campaign 2004 and marriage activities.
3 For the current fiscal year, these funds are derived primarily from member contributions (69%) and Federal Club and Major Donor programs (30%).
4 Combined income summary represents only unrestricted income. Assets released from restrictions are excluded.